announcement I made to the Labour Deputation that the new Government proposed to bring our shipping under Government control. There was keen debate about the question whether or not the step should be taken of nationalising all shipping in the sense of transferring it from private ownership altogether. To this course the Shipping Controller was opposed, deeming that *Maday opposes fa,* experienced shipowner, subject to an excess profits duties or similar methods of diverting the major part of the proceeds of wartime freights into the Exchequer, would be the best person to manage the business side of the shipping. He set out his views in a letter which is not without its bearings on some of the controversies of to-day : —

" 2nd February, 1917.

Dear Prime Minister,

Since the discussion at the War Cabinet last week I have given earnest consideration to the question of the nationalisation of shipping, keeping in view your promises relative thereto.

I think you may justly consider shipping to be nationalised on the lines you aim at when you secure the absolute control of every ship of the British Mercantile Marine and deal with the profits exactly as you elect. Such is the case to-day.

Under the system of requisition and ship licensing, no British vessel can go on any voyage without

direct authority from the Government, and the control is thus absolute.

Then with regard to profits, you can deal with these in various ways ; —